

## Message Text

LIMITED OFFICIAL USE

PAGE 01 ISLAMA 05956 200554Z  
ACTION EUR-12

INFO OCT-01 NEA-11 ISO-00 DEAE-00 SNM-05 AID-05 CEA-01  
CIAE-00 COME-00 EB-08 EA-10 FRB-03 INR-10 IO-13  
NSAE-00 ICA-11 OPIC-03 SP-02 TRSE-00 LAB-04  
SIL-01 OMB-01 SS-15 AGR-01 /117 W  
-----130780 200602Z /23

R 191041Z JUN 78  
FM AMEMBASSY ISLAMABAD  
TO SECSTATE WASHDC 7740  
INFO AMEMBASSY PARIS

LIMITED OFFICIAL USE ISLAMABAD 5956

PARIS PASS TO OECD

E.O. 11652: N/A  
TAGS: EGEN, EAID, PK  
SUBJECT: PAKISTAN REACTION TO JUNE 1 CONSORTIUM MEETING

1. PAKISTAN'S REACTION TO THE JUNE 1 CONSORTIUM MEETING HAS BEEN POSITIVE AND NON-CONFRONTATIONAL. GOP SPOKESMEN BOTH PUBLICLY AND PRIVATELY HAVE FOCUSED ON THE INCREASED LEVEL OF ASSISTANCE - \$850 MILLION - PLEDGED BY DONOR COUNTRIES AND HAVE DOWNPLAYED THE DEFERRAL OF THE DEBT RESCHEDULING QUESTION. THERE HAS BEEN NO REACTION TO THE CONCEPT, INTRODUCED BY THE U.S. DELEGATION, OF A FOOD CONSORTIUM FOR DISTAN WM LIKEWISE, NO REACTION TO THE

DELEGATION STATEMENTS ON PAKISTAN'S ILLICIT OPIUM PRODUCTION. NO MENTION HAS BEEN MADE OF THE ROLE OF THE UNITED STATES AT THE MEETING.

2. THE PAKISTANI PRESS HAS UNIFORMLY WELCOMED THE 15 PERCENT INCREASE IN AID PLEDGES. MANY PRESS ACCOUNTS VIEWED THIS AS A VOTE OF CONFIDENCE IN PAKISTAN'S ECONOMY AND THE POLICIES OF THE MARTIAL LAW ADMINISTRATION. REFERENCES TO DEBT RESCHEDULING,  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ISLAMA 05956 200554Z

BY AND LARGE, JUST NOTED THAT THE QUESTION CAME UP AND WAS DEFERRED FOR THE TIME BEING. SOME ACCOUNTS, HOWEVER, SAID THAT EVEN THOUGH NO GENERAL DECISION WAS TAKEN, SEVERAL CREDITOR COUNTRIES EXPRESSED THEIR WILLINGNESS TO OFFER DEBT RELIEF. THOSE PAPERS THAT CHOSE TO DISCUSS RESCHEDULING FURTHER CONFINED THEMSELVES TO EXPRESSING CONCERN OVER PAKISTAN'S RISING DEBT SERVICE BURDEN AND RSITERATING THE NECESSITY FOR RELIEF. HOWEVER,

ONE EDITORIAL DID CRITICIZE THE U.S. CASE-BY-CASE APPROACH TO DEBT RESCHEDULING AND CALLED ON "MAJOR COUNTRIES LIKE THE USA AND USSR" TO BE MORE FORTHCOMING IN THEIR APPROACH TO THE THIRD WORLD DEBT PROBLEM.

3. THE LINE TAKEN BY THE PRESS REFLECTS THE PUBLIC STATEMENTS OF GOP OFFICIALS, NOTABLY A.G.N. KAZI, ADVISER TO THE CMLA FOR FINANCE AND AFTAB AHMED KHAN (SECRETARY, FINANCE MINISTRY). PRIVATELY, JAWAID AZFAR, JOINT CHIEF ECONOMIST, PLANNING DIVISION AND A MEMBER OF THE PAKISTAN DELEGATION TO THE MEETING, TOLD THE AID DIRECTOR THAT THE GOP WAS SURPRISED AT THE BROAD CONCERN OVER NARCOTICS MATTERS AND THE JAPANESE CONCERN OVER THE ECONOMIC IMPACT OF ISLAMICIZATION. MID-LEVEL OFFICIALS IN THE FINANCE MINISTRY SEEM TO BE NEUTRAL AND ALMOST NON-COMMITTAL IN THEIR REACTION TO THE MEETING.

4. COMMENT. OVERALL, GOP OFFICIALS SEEM TO BELIEVE THAT THE AID QUESTION FOR NEXT YEAR IS SETTLED AND THAT THEY WILL HAVE A FURTHER OPPORTUNITY FOR BOLSTERING THEIR CASE FOR DEBT RELIEF. IN ANY CASE, PREPARATIONS FOR THE PRESENTATION AT THE END OF THE MONTH OF THE BUDGET, ANNUAL PLAN, FIVE YEAR PLAN AND ECONOMIC SURVEY, HAVE ASSUMED A HIGHER PRIORITY FOR GOP BUREAUCRATS THAN THE JUST ENDED CONSORTIUM MEETING.

5. THE SYMPATHETIC RESPONSE TO PAKISTAN'S REQUEST FOR NEW AID, THE WILLINGNESS OF SOME COUNTRIES TO OFFER DEBT RELIEF  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ISLAMA 05956 200554Z

BILATERALLY, AND THE OPEN-ENDED DEFERRAL, RATHER THAN A BLUNT REFUSAL, ON DEBT RESCHEDULING, HAVE DEFUSED A POTENTIALLY VOLATILE ISSUE FOR THE TIME BEING. THE FLURRY OF ECONOMIC POLICY SPEECHES, SET FOR JUNE 29, MAY PROVIDE THE NEXT FORUM FOR RESTATING PAKISTAN'S CASE FOR DEBT RELIEF.  
HUMMEL

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONSORTIUMS, MEETINGS, GOVERNMENT REACTIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 19 jun 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978ISLAMA05956  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780256-0218  
**Format:** TEL  
**From:** ISLAMABAD  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780645/aaaabmvy.tel  
**Line Count:** 100  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 6aff4086-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2302041  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PAKISTAN REACTION TO JUNE 1 CONSORTIUM MEETING  
**TAGS:** EGEN, EAID, PK  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/6aff4086-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014